GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:185
ANSWERED ON:01.12.2000
VIOLATION OF FERA BY FOREIGN COMPANIES
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have expedited the legal proceedings against breach of FERA Act by foreign telecasting companies;

(b) if so, whether many foreign telecasting companies including Zee, Star, Sony have not taken proper permission from the RBI for foreign remittances;

(c) if so, whether legal proceedings are pending against them;

(d) the present position and reasons for the delay in action against them;

(e) whether the subscription collected by these companies in India are also remitted to the foreign countries;

(f) if so whether one of these holding companies has recently shifted its headquarters and registered office to Mauritius; and
(g) if so, the present headquarters, registered office, the country, where these companies and their holding companies have been registered ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to (g) : A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.185 FOR ANSWER ON 1ST DECEMBER, 2000.

(a) to (e) : Investigations into alleged violations of FERA by foreigntelecasting companies as also examination of permissions regarding foreign remittances given by RBI have been taken upby the Directorate of Enforcement. The cases are also under judicial scrutiny in the Hon`ble High Court of Delhi and the Court has been issuing directions from time to time for expediting the investigations.

There have been no delays in investigation. Seven Show Cause Notices have been issued by the Directorate against the agents as well as their principal foreign telecasting companies. Two Writ Petitions are pending in the Hon`ble High Courtof Delhi in the same matter. The progress reports of investigations are being submitted to the Hon`ble High Court and their directions are being followed by the Directorate.

The quantum and nature of subscriptions collected and remitted abroad by the agents of these foreign telecasting companies is also under investigation.

(f) & (g) : The authorised agent of M/s Asia Today Limited, Hong Kong,namely, M/s Zee Telefilms Limited, Mumbai, has advised on 19th February, 2000 change of address of the holding company to Port Louis, Republic of Mauritius.